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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2012 Grand Jury

CR 12 01014

UNITED STATES OF AMERICA,)	CR No. 12
)	
Plaintiff,)	<u>I N D I C T M E N T</u>
)	
v.)	[18 U.S.C. § 1343: Wire Fraud]
)	
JOHN WINSTON BOONE,)	
aka "John Smith,")	
aka "Justin Winabali,")	
aka "John Greene,")	
aka "John King,")	
dba "HS Consortium, Inc.,")	
dba "American Blog, Inc.,")	
dba "Great Ideas, LLC,")	
)	
Defendant.)	

The Grand Jury charges:

COUNTS ONE THROUGH NINE

[18 U.S.C. § 1343]

I. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Indictment:

a. Defendant JOHN WINSTON BOONE ("BOONE"), also known as ("aka") "John Smith," aka "Justin Winabali," aka "John Greene," aka "John King" ("defendant BOONE"), doing business as

LEF:lef

1 ("dba") "HS Consortium, Inc.," dba "American Blog, Inc.," and dba
2 "Great Ideas, LLC," resided in Novato, California.

3 b. H.S. Consortium, Inc. maintained a bank account at
4 Wells Fargo Bank, bearing account number XXX-XXX5154 ("the H.S.
5 Consortium Account"). Defendant BOONE had sole signatory
6 authority over the H.S. Consortium Account.

7 c. American Blog, Inc. maintained a bank account at
8 Wells Fargo Bank, bearing account number XXX-XXX2274 ("the
9 American Blog Account"). Defendant BOONE had sole signatory
10 authority over the American Blog Account.

11 d. American Blog, Inc. also maintained a bank account
12 at Circle Bank, bearing account number XXXX3289 ("the Second
13 American Blog Account"). Defendant BOONE had signatory authority
14 over the Second American Blog Account.

15 e. Great Ideas, LLC maintained a bank account at
16 Circle Bank, bearing account number XXXX1816 ("the Great Ideas
17 Account"). Defendant BOONE had sole signatory authority over the
18 Great Ideas Account.

19 f. www.Bizbuysell.com, www.Bizquest.com, and
20 www.Bizben.com were popular websites operating in interstate and
21 foreign commerce through which businesses and their associated
22 websites could be bought and sold.

23 II. THE SCHEME TO DEFRAUD

24 2. Beginning on a date unknown to the Grand Jury, but no
25 later than in or about 2005, and continuing until at least in or
26 about July 2010, in Los Angeles, Orange, and Riverside Counties,
27 within the Central District of California, and elsewhere,
28 defendant BOONE, knowingly and with intent to defraud, devised,

1 participated in, and executed a scheme to defraud multiple victim
2 purchasers (the "victim-purchasers") as to material matters, and
3 to obtain money and property from such victim-purchasers by means
4 of material false and fraudulent pretenses, representations, and
5 promises, and the concealment of material facts.
6

7 3. The scheme to defraud operated, in substance, in the
8 following manner and by the following means, among others:

9 a. Defendant BOONE advertised the sale of websites
10 over the Internet on www.Bizbuysell.com, www.Bizquest.com, and
11 www.Bizben.com.

12 b. When the victim-purchasers responded to
13 defendant BOONE's advertisements, defendant BOONE offered for
14 sale specific website domain names and associated website
15 content. Among other things, defendant BOONE falsely and
16 fraudulently told the victim-purchasers that the websites for
17 sale had previously generated certain advertising revenue. In
18 most instances, defendant BOONE also falsely and fraudulently
19 told victim-purchasers that he would provide them with certain
20 services in order to operate the websites, such as training.
21

22 c. When asked for records to support defendant
23 BOONE's claims relating to the websites for sale, defendant BOONE
24 provided the victim-purchasers with falsified financial records,
25 and in some instances, fabricated Paypal records, purportedly
26 documenting the prior advertising revenue generated by the
27 websites for sale.
28

1 d. When the victim-purchasers agreed to purchase the
2 websites for sale, defendant BOONE falsely and fraudulently
3 induced them to make payment for the websites, either in full or
4 in part. In some instances, defendant BOONE falsely and
5 fraudulently induced the victim-purchasers to wire transfer funds
6 to the H.S. Consortium Account, the American Blog Account, or
7 other bank account controlled by defendant BOONE. In other
8 instances, defendant BOONE falsely and fraudulently induced
9 victim-purchasers to give him a cashier's check payable to H.S.
10 Consortium, Inc. or American Blog, Inc., or to deposit such a
11 check into a bank account controlled by defendant BOONE.
12

13 e. Once defendant BOONE received the agreed-upon full
14 or partial payment from the victim-purchasers for the purchase of
15 the websites, the victim-purchasers never received any revenue
16 from the websites that they purchased from defendant BOONE,
17 either from defendant BOONE or from any other entity.
18

19 f. When the victim-purchasers discovered that the
20 websites did not generate any income and contacted defendant
21 BOONE for a return of their money, defendant BOONE ceased all
22 communications with the victim-purchasers and never returned any
23 of their money.
24

25 g. Defendant BOONE concealed his scheme by, among
26 other things, using multiple aliases, including "John Smith,"
27 "Justin Winabali," "John Greene," and "John King," when dealing
28 with the victim-purchasers.

1 III. THE USE OF THE WIRES

2 4. On or about the dates set forth below, within the
 3 Central District of California and elsewhere, defendant BOONE,
 4 for the purpose of executing and attempting to execute the above-
 5 described scheme to defraud, transmitted, and caused the
 6 transmission of, the following items by means of wire
 7 communication in interstate and foreign commerce:
 8

9

COUNT	DATE	ITEM WIRED
10 ONE	8-11-08	\$8,000.00 wire transfer from account of 11 victim-purchaser D.N. to the American Blog account.
12 TWO	8-12-08	\$6,900.00 wire transfer from account of 13 victim-purchaser D.N. to the American Blog account.
14 THREE	8-26-08	\$10,000.00 wire transfer from account of 15 victim-purchaser D.N. to the American Blog account.
16 FOUR	8-28-08	\$20,000.00 wire transfer from account of 17 victim-purchaser D.N. to the American Blog account.
18 FIVE	8-28-08	\$10,000.00 wire transfer from account of 19 victim-purchaser D.N. to the American Blog account.
20 SIX	8-29-08	\$10,000.00 wire transfer from account of 21 victim-purchaser D.N. to the American Blog account.
22 SEVEN	9-2-08	\$4,100.00 wire transfer from account of 23 victim-purchaser D.N. to the American Blog account.
24 EIGHT	5-21-09	Email from victim-purchaser M.R. at 25 [m.r.]@dc.rr.com, sent at approximately 26 6:02 p.m. PST, to defendant BOONE (as 27 "John Smith") at jsmithsites@gmail.com.

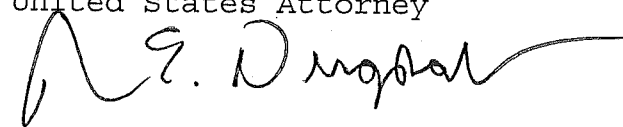
28

NINE	6-1-09	Email from defendant BOONE (as "John Smith") at jsmithsites@gmail.com, sent at approximately 1:04 p.m. PST, to victim-purchaser M.R. at [m.r.]@dc.rr.com.
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A TRUE BILL

/s/
Foreperson

ANDRÉ BIROTTE JR.
United States Attorney


ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division

WESLEY L. HSU
Assistant United States Attorney
Chief, Cyber & Intellectual Property Crimes Section

ERIC D. VANDEVELDE
Assistant United States Attorney
Deputy Chief, Cyber & Intellectual Property Crimes Section

LISA E. FELDMAN
Assistant United States Attorney
Cyber & Intellectual Property Crimes Section